

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF NORTH CAROLINA
Northern Division
No. 2:13-CV-00003

ANOVA FINANCIAL CORPORATION,)	
)	
Plaintiff,)	
)	
v.)	COMPLAINT FOR PATENT
)	INFRINGEMENT
)	
INSTITUTIONAL DEPOSITS CORP.,)	(JURY TRIAL DEMANDED)
)	
Defendant.)	

Plaintiff Anova Financial Corporation hereby files this Complaint for Patent Infringement against defendant Institutional Deposits Corp., alleging as follows, on personal knowledge as to its own activities and on information and belief as to all other matters:

PARTIES

1. Plaintiff Anova Financial Corporation (“Anova”) is a corporation organized under the laws of the State of North Carolina having a principal place of business in Edenton, North Carolina.

2. Defendant Institutional Deposits Corp. (“IDC”) is a corporation organized under the laws of the State of Florida having a principal place of business in Miami, Florida.

JURISDICTION AND VENUE

3. This Court has subject matter jurisdiction over this action pursuant to 28 U.S.C. §§ 1331 and 1338(a) because this action arises under the patent laws of the United States, 35 U.S.C. § 101, *et seq.*

4. This Court has personal jurisdiction over IDC because, *inter alia*, it regularly conducts business in North Carolina, directly and through its agents, and it has committed acts of

infringement in North Carolina. The Deposit Network® operated by IDC comprises banks located in North Carolina, and deposit transactions in The Deposit Network® operated by IDC comprise transactions originating in North Carolina and/or involving North Carolina depositors. Upon information and belief, transactions involving STAY Deposits, Target Accounts, or MMAX Accounts offered by IDC comprise transactions originating in North Carolina and/or involving North Carolina depositors.

5. Venue is proper in this judicial district pursuant to 28 U.S.C. §§ 1391 and 1400(b) because, upon information and belief, IDC, *inter alia*, regularly conducts business within this judicial district, directly and through its agents, and it has committed acts of infringement within this judicial district. Upon information and belief, deposit transactions involving The Deposit Network® comprise transactions originating in this judicial district and/or involving depositors located in this judicial district. Upon information and belief, transactions involving STAY Deposits, Target Accounts, or MMAX Accounts offered by IDC comprise transactions originating in this judicial district and/or involving depositors located in this judicial district.

BACKGROUND

6. Anova is a nationwide financial service company providing unique secure cash management solutions with liquidity and competitive rates for cash deposits. Anova offers easy and stable access to capital for community banks while offering FDIC-insured and competitive rates to depositors.

7. Although cash depositors traditionally have been required to accept lower returns on their deposits in order to maximize liquidity and to minimize market risk, Anova's deposit offerings enable depositors to enjoy CD-level returns and high liquidity (with no fees or penalties for early withdrawals), along with full FDIC insurance, even for balances exceeding \$250,000.

8. IDC operates The Deposit Network®, a system that IDC claims enables investors to make deposits into a network of participating FDIC-insured banks with a single deposit while obtaining full FDIC insurance on the entire deposit. The Deposit Network® also permits participating banks to engage in transactions for exchanging reciprocal deposits.

9. The FDIC-insured banks participating in The Deposit Network® operated by IDC include or have included one or more banks located in North Carolina and, upon information and belief, within this judicial district.

10. Depositors participating in The Deposit Network® operated by IDC include or have included one or more depositors located in North Carolina and, upon information and belief, within this judicial district.

11. The financial services offered by IDC through The Deposit Network®, its STAY deposits, and its Target and MMAX Accounts compete directly with Anova's fixed rate cash deposit offerings permitting daily withdrawals and full FDIC insurance coverage.

**FIRST CLAIM FOR RELIEF
INFRINGEMENT OF U.S. PATENT NO. 7,904,372**

12. Anova restates as if fully set forth here each and every allegation set forth above in paragraphs 1 through 11, inclusive.

13. Anova is the owner by assignment of U.S. Patent No. 7,904,372, entitled "Methods and Systems for Facilitating Transactions Between Commercial Banks and Pooled Depositor Groups," issued by the United States Patent and Trademark Office on March 8, 2011 (the "'372 patent"). A copy of the '372 patent is attached hereto as Exhibit 1.

14. IDC has infringed and continues to infringe one or more claims of the '372 patent in violation of 35 U.S.C. § 271 by making, using, offering for sale, and/or selling in the United States methods, computer programs and/or systems for facilitating financial transactions

including but not limited to transactions in The Deposit Network®, transactions involving STAY Deposits, transactions involving Target Accounts, and transactions involving MMAX Accounts.

15. As a result of the infringement of the '372 patent by IDC, Anova has suffered and continues to suffer injury to its business and property in an amount to be determined as damages.

16. IDC's infringement of the '372 patent has been and continues to be knowing and willful.

17. Unless an injunction is issued enjoining IDC, and its officers, agents, servants, employees and attorneys, and all those persons and entities in active concert and participation with them, from infringing the '372 patent, Anova will be irreparably harmed.

**SECOND CLAIM FOR RELIEF
INFRINGEMENT OF U.S. PATENT NO. 7,895,099**

18. Anova restates as if fully set forth here each and every allegation set forth above in paragraphs 1 through 17, inclusive.

19. Anova is the owner by assignment of U.S. Patent No. 7,895,099, entitled "Methods and Systems for Facilitating Transactions Between Commercial Banks and Pooled Depositor Groups," issued by the United States Patent and Trademark Office on February 22, 2011 (the "'099 patent"). A copy of the '099 patent is attached hereto as Exhibit 2.

20. IDC has infringed and continues to infringe one or more claims of the '099 patent in violation of 35 U.S.C. § 271 by making, using, offering for sale, and/or selling in the United States methods, computer programs and/or systems for facilitating financial transactions including but not limited to transactions in The Deposit Network®, transactions involving STAY Deposits, transactions involving Target Accounts, and transactions involving MMAX Accounts.

21. As a result of the infringement of the '099 patent by IDC, Anova has suffered and continues to suffer injury to its business and property in an amount to be determined as damages.

22. IDC's infringement of the '099 patent has been and continues to be knowing and willful.

23. Unless an injunction is issued enjoining IDC, and its officers, agents, servants, employees and attorneys, and all those persons and entities in active concert and participation with them, from infringing the '099 patent, Anova will be irreparably harmed.

**THIRD CLAIM FOR RELIEF
INFRINGEMENT OF U.S. PATENT NO. 8,090,651**

24. Anova restates as if fully set forth here each and every allegation set forth above in paragraphs 1 through 23, inclusive.

25. Anova is the owner by assignment of U.S. Patent No. 8,090,651, entitled "Methods, Systems and Computer Readable Media for Facilitating the Exchange of Reciprocal Deposits," issued by the United States Patent and Trademark Office on January 3, 2012 (the "'651 patent"). A copy of the '651 patent is attached hereto as Exhibit 3.

26. IDC has infringed and continues to infringe one or more claims of the '651 patent in violation of 35 U.S.C. § 271 by making, using, offering for sale, and/or selling in the United States methods, computer programs and/or systems for facilitating transactions for exchanging reciprocal deposits, including but not limited to transactions in The Deposit Network®, transactions involving STAY Deposits, transactions involving Target Accounts, and transactions involving MMAX Accounts.

27. As a result of the infringement of the '651 patent by IDC, Anova has suffered and continues to suffer injury to its business and property in an amount to be determined as damages.

28. IDC's infringement of the '651 patent has been and continues to be knowing and willful.

29. Unless an injunction is issued enjoining IDC, and its officers, agents, servants, employees and attorneys, and all those persons and entities in active concert and participation with them, from infringing the '651 patent, Anova will be irreparably harmed.

PRAYER FOR RELIEF

WHEREFORE, Anova respectfully requests entry of a judgment that includes:

- A. A finding that IDC has infringed the '372 patent;
- B. A finding that IDC has infringed the '099 patent;
- C. A finding that IDC has infringed the '651 patent;
- D. A preliminary and permanent injunction enjoining IDC, and its officers, agents, servants, employees and attorneys, and all those persons and entities in active concert with them, from infringing the '372, '099 and '651 patents;
- E. An award of damages in favor of Anova and against IDC, such damages being in an amount sufficient to fully compensate Anova for infringement of the '372, '099 and '651 patents by IDC;
- F. An award of enhanced damages up to three times the amount of compensatory damages awarded pursuant to 35 U.S.C. § 284;
- G. An award of prejudgment and post-judgment interest;
- H. A finding by the Court that this is an exceptional case under 35 U.S.C. § 285 and an award to Anova of its costs, expenses and attorneys' fees in this action; and
- I. Such other and further relief as the Court deems just and proper.

DEMAND FOR JURY TRIAL

Anova hereby demands trial by jury as to all issues triable by jury as of right.

This the 17th day of January, 2013.

/s/ Robert J. Morris

Robert J. Morris

N.C. State Bar No. 15981

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